

**Appendix A:**

**CONDITIONS OF APPROVAL FOR THE APPLICATION  
FOR PERMIT TO DRILL**

POD Name: Pine Tree 1

Operator: Devon

Field Office: Buffalo Field Office  
Address: 1425 Fort Street  
Buffalo, Wyoming 82834  
Office Telephone Number: 307-684-1100

**List of Wells:**

#	Well Name	Well #	Qtr	Sec	Twp	Rng	Bottomhole Lease	Surfacehole Lease	CX Number
1	Iberlin Ranch Fed	2826-3NH	NWNE	33	42N	76W	WYW147316	Fee	WY-070-390CX3-13-44
2	Iberlin Ranch Fed	33-26-3MH	NWNE	33	42N	76W	WYW147318	Fee	WY-070-390CX3-13-85
3	Iberlin Ranch Fed	3426-1MH	SWSW	34	42N	76W	WYW147318	Fee	WY-070-390CX3-13-87
4	Iberlin Ranch Fed	0316-1FH	SWSW	34	42N	76W	WYW151707	Fee	WY-070-390CX3-13-86

The spud date will be reported electronically, (see website location below) to the Authorized Officer  
24 HOURS BEFORE SPUDDING, unless otherwise required in site specific conditions of approval.

Spud Notice Site:

[http://www.wy.blm.gov/minerals/og/og\\_notices/spud\\_notice.php](http://www.wy.blm.gov/minerals/og/og_notices/spud_notice.php)

**STANDARD**

1. After well completion, the operator shall submit a Sundry Notice for approval of disposal of all produced water in accordance with Onshore Oil and Gas Order #7.
2. The first well drilled to each targeted coal zone will be designated as the POD reference well. Designated reference wells must have the ability to be sampled at the wellhead. Water quality samples will be collected by the operator and submitted for analysis using WDEQ NPDES criteria within 30-60 days of initial water production. Results of the analysis will be submitted to the BFO-BLM Authorized Officer as soon as they become available.

**DRILLING AND PRODUCTION OPERATIONS**

1. Verbal notification shall be given to the Authorized Officer at least 24 hours before formation tests, BOP tests, running and cementing casing, and drilling over lease expiration dates.
2. New hard-band drill pipe shall not be rotated inside any casing. Hard-band drill pipe shall be considered new until it has been run at least once.
3. All Blow Out Prevention Equipment tests shall include a 5 minute low pressure test between 250 psi and 500 psi with no drop in pressure with the only exception being the chokes. The chokes are only required to have the high pressure test held for a minimum length of time necessary to verify their functional integrity.

4. All operations must be conducted in accordance with all applicable laws and regulations: with the lease terms, Onshore Oil and Gas Orders, NTLs; and with other orders and instructions of the Authorized Officer, unless a variance has been granted in writing by the Authorized Officer.
5. The Operator shall install an identification sign consistent with the requirements of 43 CFR 3162.6 immediately upon or before the completion of the well pad construction operations.
6. All Blow Out Prevention Equipment rated 5M or greater shall be isolated from the casing and tested to stack working pressure. All Blow Out Prevention Equipment tests shall be performed by a suitable test pump, not the rig-mud pumps and recorded on a chart. The chart shall be submitted to the Buffalo Field Office.
7. Low test on Blow Out Prevention Equipment shall be performed and passed before moving onto the high test for each component.
8. If there are indications of inadequate primary cementing of the surface, intermediate, or production casing strings; such as but not limited to no returns to surface, cement channeling, fallback or mechanical failure of equipment, the operator will evaluate the adequacy of the cementing operations. This evaluation will consist of running a cement bond log (CBL) or an alternate method approved by the Authorized Officer (AO) no sooner than 12 hours and no later than 24 hours from the time the cement was first pumped.
9. If the evaluation indicates inadequate cementing, the operator shall contact a BLM Buffalo Field Office Petroleum Engineer for approval of remedial cementing work.
10. The adequacy of the remedial cementing operations shall be verified by a cement bond log (CBL) or an alternate method approved by the Authorized Officer (AO). All remedial work shall be completed and verified prior to drilling out the casing shoe or perforating the casing for purposes other than remedial cementing.
11. The cement mix water used must be of adequate quality so as not to degrade the setting properties of the cement. Any water that does not meet municipal quality water standards shall be tested by mixing the water and cement in a lab and comparing the results to the municipal quality water mix results. If the results show that the cement qualities are not the same or greater, then the non-municipal water shall not be used for mixing cement in the well.
12. All oil and gas operations shall be conducted in a manner to prevent the pollution of all freshwater resources. All fresh waters and waters of present or probable future value for domestic, municipal, commercial, stock or agricultural purposes will be confined to their respective strata and shall be adequately protected. Special precautions will be taken to guard against any loss of artesian water from the strata in which it occurs and the contamination of fresh water by objectionable water, oil, condensate, gas or other deleterious substance to such fresh water.
13. Any changes to the approved drilling plan and/or these conditions of approval shall be approved by the BLM-Buffalo Field Office Petroleum Engineer prior to being implemented.  
After hour's numbers:  
Petroleum Engineer: Matthew Warren      Cell Telephone: 307-620-0103

## **SURFACE USE STANDARD**

### **Construction**

1. Reserve pits will be adequately fenced during and after drilling operations until pit is reclaimed so as

to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows:

- Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed.
  - Construction standards: Posts shall be firmly set in ground. If wire is used it must be taut and evenly spaced, from ground level to top wire, to effectively keep out animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.
2. Reserve pits will be closed as soon as possible, but no later than 180 days from time of drilling/well completion, unless the BLM Authorized Officer gives an extension. Squeezing of pit fluids and cuttings is prohibited. Pits must be dry of fluids or they must be removed via vac truck or other environmentally acceptable method prior to backfilling, recontouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below recontoured grade. The operator will be responsible for recontouring any subsidence areas that develop from closing a pit before it is sufficiently dry.
  3. The operator shall submit a Sundry Notice (Form 3160-5) to BLM for approval prior to construction of any new surface disturbing activities that are not specifically addressed in the approved APD or POD Surface Use Plan.

#### **Operations/Maintenance**

1. The operator and their contractors shall ensure that all use, production, storage, transport, and disposal of hazardous and extremely hazardous materials associated with the drilling, completion and production of these wells will be in accordance with all applicable existing or hereafter promulgated federal, state, and local government rules, regulations, and guidelines. All project-related activities involving hazardous materials will be conducted in a manner to minimize potential environmental impacts. In accordance with OSHA requirements, a file will be maintained onsite containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used in the course of construction, drilling, completion and production operations.
2. Produced fluids shall be put in test tanks on location during completion work. Produced water will be put in the reserve pit during completion work per Onshore Oil and Gas Order #7.
3. The only fluids/waste materials which are authorized to go into the reserve pit are RCRA exempt exploration and production wastes. These include:
  - drilling muds & cuttings
  - rigwash
  - excess cement and certain completion & stimulation fluids defined by EPA as exemptIt does not include drilling rig waste, such as:
  - spent hydraulic fluids
  - used engine oil
  - used oil filter
  - empty cement, drilling mud, or other product sacks
  - empty paint, pipe dope, chemical or other product containers
  - excess chemicals or chemical rinsate

Any evidence of non-exempt wastes being put into the reserve pit may result in the BLM Authorized Officer requiring specific testing and closure requirements.